

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**FINANCE AND AUDIT COMMITTEE**

**WEDNESDAY, NOVEMBER 8, 2004**

**4:00 P.M.**

**IN THE MARY BRENNAN BOARD ROOM, T. F. GREEN AIRPORT  
WARWICK, RHODE ISLAND**

**The meeting of the Rhode Island Airport Corporation (“Corporation”) Finance and Audit Committee was called to order by Chairman, Joseph Cianciolo, at 4:00 p.m. in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.**

**COMMITTEE MEMBERS PRESENT: Joseph Cianciolo, James Forte, Charles Gaffney.**

**BOARD MEMBER PRESENT: James Rosati.**

**ALSO PRESENT: Laurie Cullen, Senior Vice President of Planning, Engineering and Environmental; Brian Schattle, Senior Vice President of Finance and Chief Financial Officer; Doug Dansereau, Chief Auditor and Financial Analyst; William Steinkamp, Senior Vice President of Operations and Maintenance; Jason Doyle, Corporate Controller; and those individuals listed on the attendance sheet attached hereto.**

**1. Approval of the Minutes: Mr. Forte moved that the minutes of the Finance and Audit Committee Meeting of September 15, 2004 be approved. Mr. Gaffney seconded the motion. The motion was passed unanimously.**

**2. Report from Chief Auditor/Financial Analyst:**

**Mr. Dansereau gave a summary of ongoing car rental audits noting that several settlements were finalized on October 5, 2004. The audit of parking access cards was also finalized and there were several recommendations for internal controls. Mr. Dansereau reported that there will be an annual reconciliation audit of this process. There was also discussion of the schedule for future car rental audits and Mr. Cianciolo asked Mr. Dansereau to schedule a one year audit of Thrifty Car Rental who had recently instituted a new compliance procedure.**

**3. Report from Senior Vice President of Finance and Chief Financial Officer:**

**Mr. Schattle reported that representatives from Carlin, Charron and Rosen were at the meeting to give a presentation on the 2004 independent audit reports.**

**4. Discussion Item:**

**(a) Presentation from Carlin, Charron and Rosen, LLP on Audited**

## **Financial Statements.**

**Mr. Schattle reported that there were five (5) changes to the draft financial statements that were presented to the Committee in September. Mr. Schattle focused on one change in particular, specifically how RIAC accounted for interest payable on bonds that were refinanced and paid on July 1, 2004. Interest was charged twice; once in the regular monthly interest accrual, and then once again when the escrow account was set up to pay off the bonds. This issue was rectified by the Corporation. Mr. Schattle introduced Mr. Scott Trenholm and Mr. Robert Howard from Carlin, Charron and Rosen, who gave a presentation of the 2004 audit results. Discussion focused on the reports issued and it was noted that this was an unqualified “clean” opinion, no weaknesses in internal controls were reported, and no material non-compliance was reported. There was detailed discussion of the Statements and the auditors explained several management recommendations, notably the Sarbanes-Oxley Act of 2002 (and how it pertains to procedures used by the Airport Corporation), the verification of landing fees against FAA reports, the need for an Accounting Policies and Procedures Manual, and the maintenance of capital projects, specifically the policy for capitalization of interest and the utilization of PFC funds. The auditors also provided the Committee with data which showed T. F. Green’s performance measured against Bradley International Airport, and provided measures outlining the Corporation’s financial viability. The Committee asked the Consultants if they could provide data**

**comparing T. F. Green to Manchester Airport in New Hampshire, which is a similar size airport.**

**A motion was made by Mr. Gaffney and seconded by Mr. Forte to approve the audited financial statements as presented to the Committee. The motion was passed unanimously.**

**(b) Consideration of and Action Upon RIAC Policy – Sexual Harassment.**

**Mr. Einhorn gave an overview of the policy to the Committee. There was also brief discussion of RIAC's policies in general, and specifically on the drug testing policy and how it does not apply to all RIAC employees, only those in positions which have licensure requirements. Mr. Einhorn indicated that he is working on an amendment to the policy and will submit it to the Committee for approval at the next meeting.**

**A motion was made by Mr. Gaffney and seconded by Mr. Forte to approve the policy as presented to the Committee. The motion was passed unanimously.**

## **5. Executive Session:**

**(a) Discussion Related to Potential Litigation – R.I.G.L. § 42-46-5(a)(2).**

**(b) Discussion Related to Investment of Public Funds – R.I.G.L. § 42-46-5(a)(7).**

**At approximately 5:00 p.m., a motion was made by Mr. Forte and seconded by Mr. Gaffney to go into Executive Session. By the following roll call vote, the motion was passed unanimously.**

**YEAS: Joseph Cianciolo**

**James Forte**

**Charles Gaffney**

**NAYS: None**

**At approximately 6:15 p.m. a motion was made by Mr. Cianciolo and seconded by Mr. Forte to return to the open session. The motion was passed unanimously.**

**During the Executive Session a motion was made by Mr. Cianciolo and seconded by Mr. Forte to approve the change in parking rates for Garages A and B as presented to the Committee. The motion was passed unanimously.**

**6. Future Meetings:**

**The next meeting will be announced.**

## **7. Adjournment:**

**Mr. Forte moved to adjourn at approximately 6:16 p.m. Mr. Cianciolo seconded the motion. The motion was carried by acclamation.**

**Respectfully submitted,**

**Joseph Cianciolo, Chair  
Finance and Audit Committee of  
the Rhode Island Airport Corporation**

**ATTENDANCE SHEET  
RHODE ISLAND AIRPORT CORPORATION  
FINANCE AND AUDIT COMMITTEE MEETING  
NOVEMBER 8, 2004**

<b>NAME</b>	<b>AFFILIATION</b>
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<b>Patti Goldstein</b>	<b>RIAC</b>
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<b>Mel Einhorn</b>	<b>RIAC</b>
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<b>Nicole Williams</b>	<b>RIAC</b>
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<b>Alicia Spearing</b>	<b>RIAC</b>
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<b>Scott Trenholm</b>	<b>Carlin, Charron &amp; Rosen, LLP</b>
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<b>Robert Howard</b>	<b>Carlin, Charron &amp; Rosen, LLP</b>
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**MINUTES OF THE EXECUTIVE SESSION  
OF THE RHODE ISLAND AIRPORT CORPORATON  
FINANCE AND AUDIT COMMITTEE MEETING  
NOVEMBER 8, 2005**

**1. At approximately 5:00 p.m., a motion was made by Mr. Forte and seconded by Mr. Gaffney to go into Executive Session. The motion was passed unanimously.**

**2. Committee Members and Corporation Personnel discussed ongoing audits.**

**Mr. Gaffney left the meeting at 5:09 p.m.**

**3. Committee Members and Corporation Personnel discussed the operation of Garage B and specifically the revenues and expenses. There was also discussion of the parking rate structure for Garages A and B, and the Committee accepted the Corporation's recommendation of changing the incremental rates within the daily rate structure. Specific changes are as follows:**

**Garage A – A change from \$6 for the first 2½ hours to \$6 for the first hour, and then \$2 thereafter up to the maximum of \$20 per day. There was also a correction to eliminate a \$19 incremental rate.**

**Garage B – A change in the rates to make it consistent with Garage A.**

**A motion was made by Mr. Cianciolo and seconded by Mr. Forte to approve the change in rates for Garages A and B as presented to the Committee. The motion was passed unanimously.**



**4. Committee Members and Corporation Personnel discussed the Corporation's finances, specifically the costs for the helicopter, and personnel expenses. Mr. Einhorn will provide a summary of personnel benefits to the Board.**

**5. Committee Members and Corporation Personnel discussed the Corporation's cash reserve accounts.**

**At approximately 6:15 p.m. a motion was made by Mr. Cianciolo and seconded by Mr. Forte to return to Open Session. By the following roll call vote the motion was passed unanimously.**

**YEAS: Joseph Cianciolo**

**James Forte**

**NAYS: None**

**Respectfully submitted,**

**Joseph Cianciolo, Chair**

**Finance and Audit Committee of the Rhode Island Airport Corporation**